

**C. ABDUL HAKEEM COLLEGE (AUTONOMOUS),
MELVISHARAM - 632 509.
SEMESTER EXAMINATIONS, NOVEMBER - 2018**

**B.Com., CORPORATE SECRETARYSHIP SEMESTER I
U15MKS101 / U14MKS101 – FINANCIAL ACCOUNTING - I**

Time: Three Hours

Maximum: 75 Marks

SECTION - A (10 X 2 = 20 Marks)

Answer **ALL** Questions.

1. What is an 'Accounting'?
2. What is an 'Accounting Concept'?
3. What is 'Straight Line Method of Depreciation'?
4. What is a Depreciable Asset.
5. What are the methods of an 'Account Current'?
6. Mention any two uses of an 'Average Due Date'.
7. What is a 'Fire Insurance Claim'?
8. What is 'Gross Profit Ratio'?
9. Write any two limitations of single entry system.
10. What is 'Networth Method'?

SECTION - B (5 X 5 = 25 Marks)

Answer **ALL** Questions.

11. a) Describe the Merits and Demerits of Accounting.
(Or)

b) Prepare Subsidiary books from the following information given below:

- (i) Purchases book is carried forward Rs. 350 less.
- (ii) Sales Book total is carried forward Rs. 500 more,
- (iii) A total of Rs. 758 in the Purchases Book has been carried forward as Rs. 857.
- (iv) The total of the Sales Book Rs. 755 on page 20 was carried forward to page 21 as Rs. 557.
- (v) Purchase Returns Book was carried forward as Rs. 5,120 instead of Rs. 1,520.

12. a) A machine purchased on 1st July 1983 at a cost of Rs. 14,000 and Rs. 1,000 was spent on its installation. The depreciation is written off at 10% on the original cost every year. The books are closed on 31st December each year. The machine was sold for Rs. 9,500 on 31st March 1986. Show the machinery account for all the years.

(Or)

- b) What are the difference between S.L.M & W.D.V?
13. a) Ramesh drew upon Vinod several bills of exchange due for payment on different dates as under:

Date of the Bill	Amount Rs.	Tenure of the Bill
1-6-88	1,200	3 months
19-6-88	1,600	2 months
10-7-88	2,000	3 months
27-7-88	1,500	3 months
7-8-88	1,800	1 month
15-8-88	2,400	2 months

Find out Average due date on which payment may be made in one single amount.

(Or)

b) Prepare an account current for Nagesh in respect of the following transactions with Basha:

1994		Rs.
Sep. 16	Goods sold to Basha	400 (due 1 st Oct.)
Oct. 1	Cash received from Basha	180
Oct. 21	Goods purchased from Basha	1,000 (due 1 st Dec.)
Nov. 1	Paid to Basha	660
Dec. 1	Paid to Basha	600
Dec. 5	Goods purchased from Basha	1,000 (due 1 st Jan.)
Dec. 10	Goods purchased from Basha	440 (due 1 st Jan.)
1995		
Jan. 1	Paid to Basha	1,200
Jan. 9	Goods sold to Basha	40 (due 1 st Feb.)

The account is to be prepared upto 1st Feb. Calculate interest @ 6% p.a.

14. a) A fire occurred on the premises of Mr. Praveen on 30th June 1996, destroying the greater part of his stock. No stock records have been maintained. The following information was ascertained from his books which were not involved in the fire.

Accounting year	Sales Rs.	Gross Profit Rs.
1993	12,50,000	3,75,000
1994	8,00,000	1,60,000
1995	9,50,000	95,000
1996	2,83,000	?

Value of stock on 1-1-96 Rs. 75,000

Purchases from 1-1-96 to 30-6-96 Rs. 2,60,000

Value of stock salvaged Rs. 10,000

Prepare a statement showing the amount to be claimed from the insurance company.

(Or)

b) A fire occurred in the Premises of X Ltd. on 10.10.91. All stocks were destroyed except to the extent of Rs. 6,200. From the following figures, ascertain the loss of stock suffered by the company.

	Rs.
Stock on 1.1.90	40,000
Purchases during 1990	1,45,000
Sales during 1990	2,00,000
Stock on 31.12.90	25,000
Purchases during 1991 upto the date of fire	1,52,200
Sales during 1991 upto date of fire	1,89,000

15. a) The position of a businessman who keeps his books on Single Entry was as under 31.12.90 and 31.12.91:

	1990 Rs.	1991 Rs.
Cash in Hand	400	480
Cash at Bank	6,000	2,500
Stock	6,500	5,000
Debtors	4,000	5,200
Furniture	300	350
Sundry Creditors	4,100	3,100

He withdraws Rs. 7,500 from business on 2.1.91 out of which he spent Rs. 5,200 for purchase of a motor truck for the business.

Adjustments:

- Depreciation on closing balance of furniture and truck at 10%.
- Write off Rs. 220 as bad debts.
- 5% Provision for bad and doubtful debts is needed.

Find out the profit or loss for the year.

(Or)

b) Write the format of Total Debtors Accounts and Total Creditors Accounts.

SECTION - C (3 X 10 = 30 Marks)

Answer **ANY THREE** Questions.

16. Prepare Trading, Profit & Loss A/c and Balance Sheet from the following

Trial Balance of Mr. Madan:

	Debit Balances	Rs.	Credit Balances	Rs.
Sundry Debtors		92,000	Madan's Capital	70,000
Plant & Machinery		20,000	Purchase Returns	2,600
Interest		430	Sales	2,50,000
Rent, Rates, Taxes, & Insurance		5,600	Sundry Creditors	60,000
Conveyance charges		1,320	Bank Overdraft	20,000
Wages		7,000		
Sales Returns		5,400		
Purchases		1,50,000		
Opening Stock		60,000		
Madan's Drawings		22,000		
Trade Expenses		1,350		
Salaries		11,200		
Advertising		840		
Discount		600		
Bad debts		800		
Business premises		12,000		
Furniture & Fixtures		10,000		
Cash in hand		2,060		
		4,02,600		4,02,600

Adjustments:

- Stock on hand on 31-12-96 Rs. 90,000.
- Provide depreciation on premises at 2.5%; Plant & Machinery at 7.5% and furniture & fixtures at 10%.
- Write off Rs. 800 as further bad debts.
- Provide for doubtful debts at 5% on sundry debtors.
- Outstanding rent was Rs. 500 and outstanding wages Rs. 400.
- Prepaid insurance Rs. 300 and prepaid salaries Rs. 700.

17. A company purchased machinery on 1-7-87 for Rs. 80,000. On 1-1-89 they purchased another machine for Rs. 60,000 and gain on 1-10-91 machinery costing Rs. 1,50,000 was purchased. They adopted a policy of charging depreciation @ 20% p.a. on diminishing balance.

On 1-7-91 they, however, changed the method of providing depreciation and adopted the method of writing off the machinery A/c at 15% p.a. under straight line method with retrospective effect from 1-7-87, the adjustment being made in the accounts for the year ended 30-6-92. The depreciation has been charged on time basis, you are required to calculate the difference in depreciation to be adjusted in the machinery on 1-7-91 and show the machinery A/c from 1987-88 to 1991-92.

18. For goods sold, Nagarajan draws the following bills on Raj who accepts the same as per terms given under.

Amount of the bill	Date of drawing	Date of acceptance	Tenure
Rs.			
16,000	6-1-95	9-1-95	3 months after date
18,000	15-2-95	18-2-95	60 days
16,000	21-2-95	21-2-95	2 months
30,000	14-3-95	17-3-95	30 days after sight

On 18-3-95, it was agreed that the above bills will be withdrawn and the acceptor would pay the whole amount in one lump sum by a cheque, 15 days ahead of average due date and for this a rebate of Rs. 1,000 would be allowed.

Calculate the average due date, the amount and the due date of the cheque.

19. On 13th July 1986, a fire occurred and partly destroyed the goods of KCP Corporation.

The cost of the salvaged goods was Rs. 20,000. The following particulars could be obtained from the books:

	Rs.
(i) Balance as at 31-3-86	
Stock at cost	1,20,000
Creditors for goods	10,000
(ii) Transactions between 1-4-86 and 13-7-86 were as follows:	
Payment to creditors for goods	62,000
Returns Outwards	2,000
Returns Inwards	6,500
Carriage Inwards	9,000
Carriage Outwards	7,500
Sales	1,10,000
(iii) Unpaid creditors for goods as on 13-7-86 amounted to Rs. 8,000	

All sales were made at a profit of 33^{1/3}% on selling price. There were no other purchases and sales. The policy value was Rs. 90,000 and there was average clause in the policy.

You are required to draw up a statement of claim for loss of stock on the basis of the facts in the books of KCP Corporation.

20. From the following information, you are required to calculate total sales:

	Rs.		Rs.
Bills Receivable in the beginning	7,800	Bad debts written off	2,800
Debtors in the beginning	30,800	Returns inwards	8,700
Bills Receivable Encashed during the year	20,900	Bills receivable at the end	6,000
Cash received from Debtors	70,000	Debtors at the end	25,500
		Cash sales (as per cash book)	40,900
		Bills Receivable dishonoured	1,800
